

ARKANSAS FISCAL NOTES



VOLUME XVIII No. 11

MAY 2005

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DEPARTMENT OF FINANCE & ADMINISTRATION
ECONOMIC ANALYSIS & TAX RESEARCH
P.O. BOX 3278
LITTLE ROCK, AR 72203
(501) 682-1688

State of Arkansas
Department of Finance and Administration
Office of the Director
Economic Analysis and Tax Research

Mike Huckabee, Governor

Richard Weiss, Director

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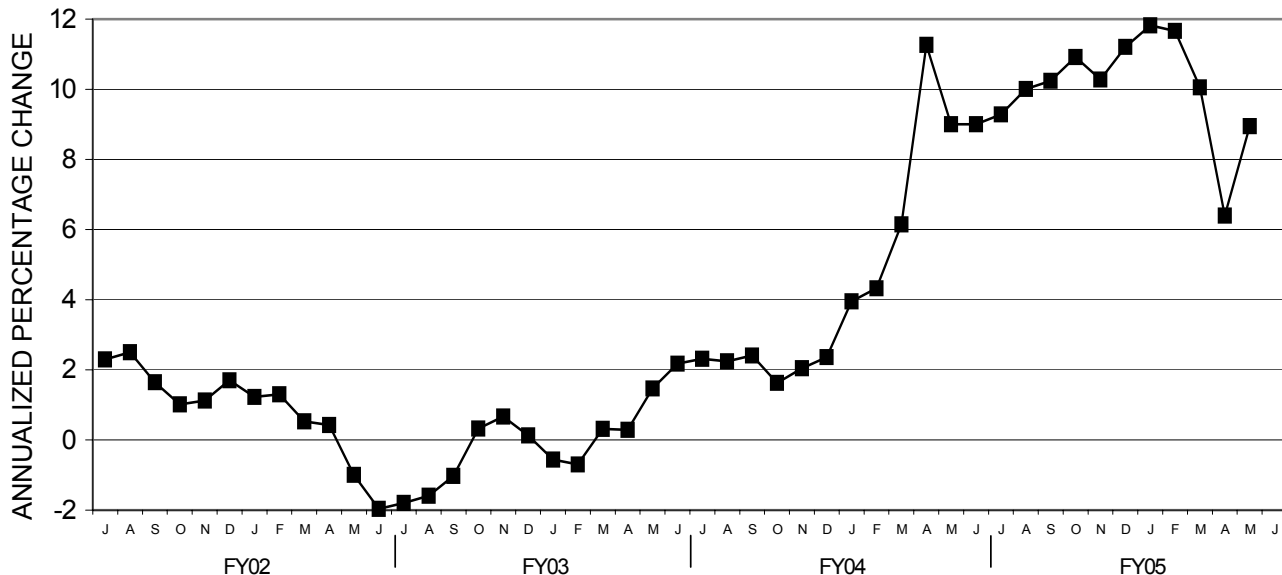
GENERAL REVENUE SUMMARY: May FY 2005

Year-to-Date Gross General Revenues totaled \$4,277.1 million, an increase of \$362.1 million or 9.2 percent above the same period in FY 04. With respect to the general revenue forecast of April 4, 2005, gross general revenues were \$78.9 million or 1.9 percent above forecast.

Year-to-Date Net Available Revenues totaled \$3,542.5 million, an increase of \$296.2 million or 9.1 percent above last year. Compared to the April 4, 2005 forecast, collections were \$99.3 million or 2.9 percent above forecast.

Net General Revenue Growth. Net general revenues are defined as gross revenues less individual and corporate income tax refunds. For the twelve-month period ending in May, net general revenues totaled \$4,371.3 million and increased at an annual rate of 9.0 percent. One year ago, the net general revenues increased by 9.0 percent.

ANNUALIZED RATE OF GROWTH IN
NET GENERAL REVENUES



Year-to-Date Individual Income Tax Collections totaled \$1,978.3 million, an increase of \$186.4 million or 10.4 percent above last year and \$44.3 million or 2.3 percent above forecast.

Year-to-Date Individual Income Tax Refunds totaled \$281.1 million, an increase of \$34.7 million or 14.1 percent above last year. Refunds were \$4.3 million or 3.5 percent below forecast. Included in the total is \$20.5 million in refunds and attorney fees resulting from the McFadden, et al v. Weiss lawsuit awarding state income tax refunds to

retirees who were not allowed consideration for state tax paid on contributions to public or private employment-related retirement systems, plans, or programs.

Year-to-Date General Revenue Corporate Income Tax Collections totaled \$255.6 million, an increase of \$54.2 million or 26.9 percent above last year. Collections were \$7.2 million or 2.9 percent above forecast.

Year-to-Date Corporate Income Tax Refunds totaled \$27.4 million, a decrease of \$24.8 million or 47.5 percent below last year. Refunds were \$14.7 million or 34.9 percent below forecast.

Year-to-Date Sales Tax Collections totaled \$1,501.1 million, an increase of \$70.8 million or 5.0 percent above last year. Sales tax collections were \$12.1 million or 0.8 percent above forecast.

Year-to-Date Use Tax Collections totaled \$272.1 million, an increase of \$50.7 million or 22.9 percent above last year and \$12.7 million or 4.9 percent above forecast.

Use tax collections are dominated by business spending. While equipment used directly in manufacturing is exempt from the sales and use tax, business expenditures on office equipment & furniture, office computers, construction equipment (e.g., earth-moving equipment), refrigeration units, mining equipment, vehicles, and fork-lifts bought or leased from out-of-state vendors are subject to the compensating use tax.

May Gross General Revenues totaled \$358.5 million, an increase of \$25.3 million or 7.6 percent above May 2004. Revenues were \$26.2 million or 7.9 percent above forecast.

May Net Available Revenues totaled \$270.6 million, an increase of \$23.3 million or 9.4 percent above last May. Revenues were \$37.5 million or 16.1 percent above forecast.

May Individual Income Tax Collections totaled \$158.7 million, an increase of \$13.6 million or 9.4 percent above last May and \$11.7 million or 8.0 percent above forecast.

May Individual Income Tax Refunds totaled \$25.7 million, an increase of \$2.7 million or 11.6 percent above May 2004 and \$0.5 million or 2.0 percent above forecast.

May General Revenue Corporate Income Tax Collections totaled \$16.7 million, a decrease of \$4.0 million or 19.2 percent below May 2004 and \$3.4 million or 17.0 percent below forecast.

May Corporate Income Tax Refunds totaled \$2.1 million, a decrease of \$4.6 million or 69.4 percent below last May and \$10.9 million or 84.2 percent below forecast.

Combined General and Special Revenue Corporate Income Tax Collections. For the twelve-month period ending in May, general and special net corporate income taxes totaled \$273.9 million and increased at an annual rate of 33.8 percent. One year ago, corporate income taxes increased at an annual rate of 4.3 percent.

May Sales Taxes Collections totaled \$138.0 million, an increase of \$12.4 million or 9.9 percent above last year and \$8.5 million or 6.5 percent above forecast. On an annualized basis, sales tax collections grew at an annual rate of 4.6 percent, up from 3.9 percent the previous month. One year ago, the growth rate was 4.6 percent.

May Use Taxes Collections totaled \$26.2 million, an increase of \$4.1 million or 18.3 percent above May 2004 and \$7.1 million or 37.4 percent above forecast. On an annualized basis, use taxes increased at an annual rate of 22.7 percent, up from 22.4 percent in April. One year ago, collections were increasing at an annual rate of 8.5 percent.

May General Revenue Tobacco Taxes totaled \$12.7 million, an increase of \$1.5 million or 13.5 percent above last May and an increase of \$1.2 million or 10.8 percent above forecast.

SPECIAL REVENUES OF NOTE

Special Corporate Income Taxes. Each month \$1.1 million (\$13.2 million total in FY 2005) in corporate income tax collections goes to *special* revenues. These revenues are not included in *general* revenue totals. They are allocated to the WorkForce 2000 Fund, which provides for the upgrading of the post-secondary technical colleges of the state.

Medicaid Program Trust Fund (Soft Drink Tax). FY 2005 year-to-date collections totaled \$42.0 million, \$2.8 million more than collections in FY 2004.

Conservation Fund. The state *general* sales and use tax rate is 4.5%. Effective July 1, 1997, Act 156 of 1997, the Conservation Fund Act, levied a one-eighth of one-cent increase in the sales and use tax rate as a *special* revenue. After deductions, the remaining money is distributed to the Game Protection Fund (45%), the Department of Parks and Tourism (45%), Arkansas Department of Heritage (9%), and the Keep Arkansas Beautiful Fund (1%). Through May of FY 2005, \$49.0 million was collected. Through the same period of FY 2004, \$45.9 million was collected.

Property Tax Relief Trust Fund. Acts 1 and 2 of the Second Extraordinary Session of 2000 levied a 0.5% increase in the sales and use tax rate effective January 1, 2001. This increase is *special* revenue dedicated to reimbursing Arkansas counties for the cost of homestead property tax credits created by Amendment 79 to the Arkansas Constitution. Through May of FY 2005, \$192.7 million was collected compared to \$183.3 million in FY 2004.

Educational Adequacy Fund. Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. It also expanded the sales and use tax base to new services and increased the wholesale vending tax rate and decal fees, effective July 1, 2004. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004. The additional revenues are deposited as *special* revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. Through May of FY 2005, \$365.4 million was collected.

TABLE A: GENERAL REVENUES FOR MONTH OF MAY 2005

	ACTUAL MAY 2005	FORECAST MAY 2005	ACTUAL MAY 2004	CHANGE FROM:			
				FORECAST		LAST YEAR	
				\$	%	\$	%
INDIVIDUAL INCOME	\$158,722,252	\$147,000,000	\$145,090,750	\$11,722,252	8.0	\$13,631,503	9.4
CORPORATE INCOME	16,679,546	20,100,000	20,654,031	(3,420,454)	(17.0)	(3,974,485)	(19.2)
SALES	137,976,081	129,500,000	125,579,336	8,476,081	6.5	12,396,744	9.9
USE	26,240,901	19,100,000	22,190,281	7,140,901	37.4	4,050,619	18.3
ALCOHOLIC BEVERAGE	3,386,577	3,100,000	3,657,064	286,577	9.2	(270,487)	(7.4)
TOBACCO	12,740,810	11,500,000	11,220,968	1,240,810	10.8	1,519,843	13.5
INSURANCE PREMIUM	793,260	500,000	411,122	293,260	58.7	382,138	92.9
RACING	325,750	300,000	275,036	25,750	8.6	50,714	18.4
SEVERANCE	923,113	200,000	785,936	723,113	361.6	137,178	17.5
CORPORATE FRANCHISE	(25,732)	0	807,096	(25,732)	0.0	(832,828)	(103.2)
ESTATE	277,908	200,000	1,778,914	77,908	39.0	(1,501,006)	(84.4)
REAL ESTATE TRANSFER	0	0	0	0	0.0	0	0.0
MISCELLANEOUS	503,385	800,000	816,947	(296,615)	(37.1)	(313,561)	(38.4)
GROSS REVENUES	\$358,543,852	\$332,300,000	\$333,267,481	\$26,243,852	7.9	\$25,276,371	7.6
LESS:							
SCSF/COF	10,756,316	9,969,000	13,330,699	787,316	7.9	(2,574,384)	(19.3)
REFUNDS	27,744,487	38,200,000	29,718,025	(10,455,513)	(27.4)	(1,973,538)	(6.6)
CLAIMS	0	0	0	0	0.0	0	0.0
ECON DEVEL INCEN FUND	864,153	2,300,000	472,055	(1,435,847)	(62.4)	392,098	83.1
WTR/SWR/CLGE BONDS	23,440,643	23,600,000	23,289,873	(159,357)	(0.7)	150,770	0.6
MLA CITY/CO.	0	0	0	0	0.0	0	0.0
DESEG SETTLEMENT	2,700,000	2,700,000	24,518,245	0	0.0	(21,818,245)	(89.0)
EDUCATIONAL EXCELLENCE	20,491,747	20,500,000	19,494,438	(8,253)	(0.0)	997,309	5.1
ELDERLY TRANSPORTATION	179,305	200,000	162,318	(20,696)	(10.3)	16,987	10.5
EDUCATIONAL ADEQUACY	1,811,505	1,800,000	0	11,505	0.6	1,811,505	0.0
OTHER TRANSFERS	0	0	(25,000,000)	0	0.0	25,000,000	(100.0)
NET AVAILABLE	\$270,555,696	\$233,031,000	\$247,281,827	\$37,524,696	16.1	\$23,273,869	9.4

PREPARED BY THE OFFICE OF ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A.

NET AVAILABLE ESTIMATE: MAY 15, 2003, (A + B + B-1).

REVISED MAY 4, 2004 (A + B + B-1)

REVISED NOVEMBER 10, 2004 (A + B + B-1)

REVISED APRIL 4, 2005 (A + B + B-1)

TABLE B: YEAR-TO-DATE GENERAL REVENUES

	ACTUAL YTD MAY 2005	FORECAST YTD MAY 2005	ACTUAL YTD MAY 2004	CHANGE FROM:			
				FORECAST		LAST YEAR	
				\$	%	\$	%
INDIVIDUAL INCOME	\$1,978,269,914	\$1,934,000,000	\$1,791,868,984	\$44,269,914	2.3	\$186,400,930	10.4
CORPORATE INCOME	255,557,986	248,400,000	201,397,026	7,157,986	2.9	54,160,961	26.9
SALES	1,501,103,540	1,489,000,000	1,430,296,692	12,103,540	0.8	70,806,848	5.0
USE	272,132,446	259,400,000	221,473,915	12,732,446	4.9	50,658,530	22.9
ALCOHOLIC BEVERAGE	31,460,739	31,000,000	30,445,889	460,739	1.5	1,014,849	3.3
TOBACCO	128,295,122	127,600,000	127,275,525	695,122	0.5	1,019,597	0.8
INSURANCE PREMIUM	63,022,674	62,700,000	68,146,247	322,674	0.5	(5,123,573)	(7.5)
RACING	4,141,261	4,000,000	3,936,196	141,261	3.5	205,064	5.2
SEVERANCE	10,154,830	8,600,000	7,691,537	1,554,830	18.1	2,463,292	32.0
CORPORATE FRANCHISE	7,702,494	8,000,000	5,001,963	(297,506)	(3.7)	2,700,531	54.0
ESTATE	8,888,598	8,800,000	6,955,032	88,598	1.0	1,933,567	27.8
REAL ESTATE TRANSFER	2,603,333	2,600,000	2,607,056	3,333	0.1	(3,723)	(0.1)
MISCELLANEOUS	13,789,526	14,100,000	17,944,726	(310,474)	(2.2)	(4,155,200)	(23.2)
GROSS REVENUES	\$4,277,122,462	\$4,198,200,000	\$3,915,040,788	\$78,922,462	1.9	\$362,081,674	9.2
LESS:							
SCSF/COF	128,313,674	125,946,000	120,783,898	2,367,674	1.9	7,529,775	6.2
REFUNDS	308,487,870	327,500,000	298,575,681	(19,012,130)	(5.8)	9,912,189	3.3
CLAIMS	0	0	0	0	0.0	0	0.0
ECON DEVEL INCEN FUND	9,860,859	13,500,000	7,950,231	(3,639,141)	(27.0)	1,910,628	24.0
WTR/SWR/CLGE BONDS	29,529,482	29,700,000	28,408,470	(170,518)	(0.6)	1,121,012	3.9
MLA CITY/CO.	7,731,743	7,700,000	8,695,774	31,743	0.4	(964,031)	(11.1)
DESEG SETTLEMENT	30,100,000	30,100,000	51,918,245	0	0.0	(21,818,245)	(42.0)
EDUCATIONAL EXCELLENCE	225,408,880	225,400,000	214,438,744	8,880	0.0	10,970,136	5.1
ELDERLY TRANSPORTATION	1,979,275	2,000,000	2,032,905	(20,725)	(1.0)	(53,629)	(2.6)
EDUCATIONAL ADEQUACY	19,926,528	19,900,000	0	26,528	0.1	19,926,528	0.0
OTHER TRANSFERS	(26,671,976)	(26,700,000)	(64,000,000)	28,024	(0.1)	37,328,024	(58.3)
NET AVAILABLE	\$3,542,456,128	\$3,443,154,000	\$3,246,236,840	\$99,302,128	2.9	\$296,219,288	9.1

PREPARED BY THE OFFICE OF ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A.

NET AVAILABLE ESTIMATE: MAY 15, 2003, (A + B + B-1).

REVISED MAY 4, 2004 (A + B + B-1)

REVISED NOVEMBER 10, 2004 (A + B + B-1)

REVISED APRIL 4, 2005 (A + B + B-1)

TABLE C
OFFICIAL GENERAL REVENUE FORECAST
FY 2005 - FY 2007

Millions of Dollars	04/04/05 Estimate	FY 05 Increase	% CH	04/20/05 Estimate	FY 06 Increase	% CH	04/20/05 Estimate	FY 07 Increase	% CH
INDIVIDUAL INCOME	2,116.0	143.9	7.3	2,191.0	75.0	3.5	2,302.0	111.0	5.1
CORPORATE INCOME	278.2	40.1	16.8	282.3	4.1	1.5	289.5	7.2	2.6
SALES TAX	1,623.0	63.8	4.1	1,708.0	85.0	5.2	1,801.0	93.0	5.4
USE TAX	278.0	34.7	14.3	260.0	-18.0	-6.5	269.0	9.0	3.5
ALCOHOLIC BEVERAGE	34.0	0.4	1.3	34.5	0.5	1.5	35.0	0.5	1.4
TOBACCO	140.0	0.0	0.0	139.0	-1.0	-0.7	138.0	-1.0	-0.7
INSURANCE	92.0	0.7	0.8	93.0	1.0	1.1	94.0	1.0	1.1
RACING	4.2	0.0	-0.3	4.2	0.0	0.0	4.2	0.0	0.0
SEVERANCE	8.8	0.2	2.4	9.2	0.4	4.5	9.5	0.3	3.3
CORPORATE FRANCHISE	8.0	-0.4	-4.6	8.0	0.0	0.0	8.0	0.0	0.0
ESTATE	9.0	-5.0	-35.8	0.0	-9.0	-100.0	0.0	0.0	0.0
REAL ESTATE TRANSFER	2.6	0.0	-0.2	2.6	0.0	0.0	2.6	0.0	0.0
MISCELLANEOUS	15.3	-3.8	-19.9	15.3	0.0	0.0	15.3	0.0	0.0
TOTAL GROSS	4,609.1	274.6	6.3	4,747.1	138.0	3.0	4,968.1	221.0	4.7
PLUS: ACT 1022 (2003) (HSC)	1.7	1.7	0.0	0.0	-1.7	-100.0	0.0	0.0	0.0
FED FISCAL RELIEF	0.0	-25.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0
PROP. TAX RELIEF TR. FUND	25.0	0.0	0.0	18.2	-6.9	-27.4	22.0	3.9	21.2
REVENUE ALLOTMENT RESEF	0.0	0.0	0.0	0.0	0.0	0.0	34.0	34.0	0.0
UNCLAIMED PROPERTY	0.0	-14.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0
LESS: MCF (SCS/COF)	138.3	1.2	0.9	142.4	4.1	3.0	149.0	6.6	4.7
INDIVIDUAL REFUNDS	299.8	40.6	15.7	331.6	31.8	10.6	344.6	13.0	3.9
CORP REFUNDS	55.0	-1.2	-2.2	57.0	2.0	3.6	59.0	2.0	3.5
CLAIMS RESERVE	10.0	10.0	N.A.	10.0	0.0	0.0	10.0	0.0	0.0
ECON DEV INCENTIVE	15.8	5.5	53.8	17.4	1.6	10.1	19.1	1.7	9.8
WATER/SWR BONDS	6.3	1.8	40.0	7.4	1.1	17.5	8.6	1.2	16.2
COLL SVNGS BONDS	24.0	0.1	0.4	24.0	0.0	0.0	24.0	0.0	0.0
MLA CITY/CO TOURIST	7.7	-1.0	-11.5	7.2	-0.5	-6.5	7.2	0.0	0.0
EDUC EXCEL TRUST	245.9	12.0	5.1	259.4	13.5	5.5	268.6	9.2	3.5
DESEGREGATION	32.8	-21.0	-39.1	58.7	25.9	79.0	60.4	1.7	2.9
ELDERLY TRANSPORT	2.2	0.0	-1.5	2.2	0.0	0.0	2.2	0.0	0.0
EDUCATIONAL ADQCY	21.7	21.7	0.0	22.9	1.2	5.5	23.7	0.8	3.5
ADD'L HSC TRANSFER	0.0	-9.8	-100.0	0.0	0.0	0.0	0.0	0.0	0.0
NET AVAILABLE	3,776.3	177.5	4.9	3,825.1	48.7	1.3	4,047.7	222.6	5.8
LESS: SURPLUS TO ALLOTMENT									
RESERVE FUND	-146.4			0.0			0.0		
NET AVAILABLE DISTRIBUTED	3,629.9	103.9	2.9	3,825.1	195.2	5.4	4,047.7	222.6	5.8

TABLE D
GENERAL REVENUE HISTORY AND ECONOMIC ASSUMPTIONS

Millions of Dollars	FY-02			FY-03			FY-04		
	Actual	Increase	% CH	Actual	Increase	%CH	Actual	Increase	%CH
INDIVIDUAL INCOME TAX	1,790.4	-14.2	(0.8)	1,831.2	40.8	2.3	1,972.1	140.9	7.7
INDIVIDUAL REFUNDS	<u>278.4</u>	<u>29.2</u>	<u>11.7</u>	<u>300.6</u>	<u>22.2</u>	<u>8.0</u>	<u>259.2</u>	<u>(41.4)</u>	<u>(13.8)</u>
NET INDIVIDUAL INCOME	1,512.1	-43.4	(2.8)	1,530.6	18.6	1.2	1,712.9	182.3	11.9
CORPORATE INCOME	218.5	(16.0)	(6.8)	226.2	7.7	3.5	238.1	11.9	5.3
CORPORATE REFUNDS	<u>55.3</u>	<u>7.1</u>	<u>14.7</u>	<u>55.3</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>56.2</u>	<u>0.9</u>	<u>1.7</u>
NET CORPORATE INCOME	163.2	(23.1)	(12.4)	170.9	7.7	4.7	181.8	11.0	6.4
SALES TAX	1,452.4	4.7	0.3	1,486.7	34.3	2.4	1,559.2	72.5	4.9
USE TAX	<u>229.4</u>	<u>(0.7)</u>	<u>(0.3)</u>	<u>228.7</u>	<u>(0.6)</u>	<u>(0.3)</u>	<u>243.3</u>	<u>14.6</u>	<u>6.4</u>
NET ECONOMIC TAX REVENUE	3,357.0	(62.5)	(1.8)	3,416.9	59.9	1.8	3,697.3	280.4	8.2
OTHER TAX REVENUE	<u>252.7</u>	<u>(8.6)</u>	<u>(3.3)</u>	<u>270.3</u>	<u>17.5</u>	<u>6.9</u>	<u>321.8</u>	<u>51.6</u>	<u>19.1</u>
GROSS GENERAL REVENUES	3,943.4	(34.8)	(0.9)	4,043.0	99.6	2.5	4,334.5	291.5	7.2
PLUS: ACT 1022 (2003) (HSC)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GEN IMPROVEMENT	0.0	0.0	0.0	17.3	17.3	0.0	0.0	(17.3)	(100.0)
FED FISCAL RELIEF	0.0	0.0	0.0	0.0	0.0	0.0	25.0	25.0	0.0
PROPERTY TAX RELIEF TRUST FUND	0.0	0.0	0.0	0.0	0.0	0.0	25.0	25.0	0.0
REVENUE ALLOTMENT RESERVE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UNCLAIMED PROPERTY	0.0	0.0	0.0	0.0	0.0	0.0	14.0	14.0	0.0
LESS: SCS/COF	117.9	(1.4)	(1.2)	138.0	20.1	17.0	137.1	(0.9)	(0.7)
INDIVIDUAL REFUNDS	278.4	29.2	11.7	300.6	22.2	8.0	259.2	(41.4)	(13.8)
CORPORATE REFUNDS	55.3	7.1	14.7	55.3	(0.0)	(0.0)	56.2	0.9	1.7
CLAIMS	0.0	0.0	N.A.	3.4	3.4	N.A.	0.0	(3.4)	N.A.
ECON DEVEL INCENTIVE FUND	8.5	3.8	81.9	10.9	2.3	27.3	10.3	(0.6)	(5.4)
WATER/SEWER BONDS	5.0	(0.6)	(9.9)	4.9	(0.1)	(1.8)	4.5	(0.4)	(8.1)
MLA CITY/CO TOURIST	8.2	(0.9)	(10.3)	8.1	(0.2)	(2.1)	8.7	0.6	8.0
DESEGREGATION SETTLEMENT	32.8	0.0	0.0	32.8	0.0	0.0	53.8	21.0	64.1
EDUC EXCEL TRUST FUND	228.8	4.9	2.2	229.4	0.6	0.3	233.9	4.5	2.0
ELDERLY TRANSPORTATION	2.2	(0.3)	(13.1)	2.3	0.1	4.8	2.2	(0.1)	(3.1)
COLL SVNGS BOND DEBT SRV.	23.9	(0.1)	(0.3)	23.9	0.0	0.0	23.9	(0.0)	(0.0)
EDUCATIONAL ADEQUACY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ADD'L HSC TRANSFER	0.0	0.0	0.0	0.0	0.0	0.0	9.8	9.8	0.0
ALLOTMENT RESERVE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>72.9</u>	<u>72.9</u>	<u>0.0</u>
NET AVAILABLE REVENUES	3,182.4	(76.6)	(2.3)	3,250.8	68.4	2.1	3,526.0	275.2	8.5
ECONOMIC ASSUMPTIONS	FY 2002			FY 2003			FY 2004		
U.S. NOMINAL GDP (Billions \$)	10,307.5	335.0	3.4	10,745.6	438.1	4.3	11,366.1	620.5	5.8
GDP (2000\$ CHAIN WEIGHT)	9,957	81	0.8	10,181	224	2.2	10,634	453	4.4
CONS PRICE INDEX (1984=100)	178.2	3.1	1.8	182.1	4.0	2.2	186.1	3.9	2.2
NET GEN REV (Millions \$)	3,609.8	(71.1)	(1.9)	3,687.2	77.4	2.1	4,019.1	332.0	9.0
AR. STATE PERS INCOME (M\$)	62,871	2,247	3.7	64,531	1,660	2.6	68,457	3,926	6.1
NGR % of ASPI	5.742	(0.3)	(5.4)	5.714	(0.0)	(0.5)	5.871	0.2	2.8
NON-FARM PERSONAL INCOME	61,800	2,525	4.3	63,470	1,670	2.7	66,473	3,003	4.7
AR. W & S DISBURSEMENTS (M\$)	32,862	773	2.4	33,608	746	2.3	35,064	1,456	4.3
DIVIDENDS, INTEREST, AND RENT	10,591	(41)	(0.4)	10,202	(389)	(3.7)	10,354	152	1.5
AR. NON-FARM PROPR INC (M\$)	4,649.3	377.8	8.8	4,815.3	166.0	3.6	5,293.3	478.0	9.9
AR. TAXABLE SALES (B\$)	37.37	0.1	0.2	38.12	0.7	2.0	40.06	1.9	5.1
AR. W & S EMPLOYMENT	1,148,100	(10,300)	(0.9)	1,144,400	(3,700)	(0.3)	1,146,300	1,900	0.2
AR. MANUFAC EMPLOYMENT	218,860	(16,500)	(7.0)	209,800	(9,060)	(4.1)	204,520	(5,280)	(2.5)
AR. FARM INCOME (\$)	1,070.8	(278.5)	(20.6)	1,061.0	(9.8)	(0.9)	1,984.0	923.0	87.0
AR. POPULATION	2,702,000	14,800	0.6	2,719,000	17,000	0.6	2,737,200	18,200	0.7
AR PER CAPITA INCOME (\$)	23,268	709	3.1	23,733	465	2.0	25,009	1,276	5.4

TABLE D
ECONOMIC ASSUMPTIONS AND THE
OFFICIAL GENERAL REVENUE FORECAST
2005-2007 BIENNIUM

Millions of Dollars	04/04/05	FY-05		04/20/05	FY-06		04/20/05	FY-07	
	Estimate	Increase	% CH	Estimate	Increase	% CH	Estimate	Increase	% CH
INDIVIDUAL INCOME TAX	2,116.0	143.9	7.3	2,191.0	75.0	3.5	2,302.0	111.0	5.1
INDIVIDUAL REFUNDS	<u>299.8</u>	<u>40.6</u>	<u>15.7</u>	<u>331.6</u>	<u>31.8</u>	<u>10.6</u>	<u>344.6</u>	<u>13.0</u>	<u>3.9</u>
NET INDIVIDUAL INCOME	1,816.2	103.3	6.0	1,859.4	43.2	2.4	1,957.4	98.0	5.3
CORPORATE INCOME	278.2	40.1	16.8	282.3	4.1	1.5	289.5	7.2	2.6
CORPORATE REFUNDS	<u>55.0</u>	<u>(1.2)</u>	<u>(2.2)</u>	<u>57.0</u>	<u>2.0</u>	<u>3.6</u>	<u>59.0</u>	<u>2.0</u>	<u>3.5</u>
NET CORPORATE INCOME	223.2	41.4	22.7	225.3	2.1	0.9	230.5	5.2	2.3
SALES TAX	1,623.0	63.8	4.1	1,708.0	85.0	5.2	1,801.0	93.0	5.4
USE TAX	<u>278.0</u>	<u>34.7</u>	<u>14.3</u>	<u>260.0</u>	<u>(18.0)</u>	<u>(6.5)</u>	<u>269.0</u>	<u>9.0</u>	<u>3.5</u>
NET ECONOMIC TAX REVENUE	3,940.4	243.1	6.6	4,052.7	112.3	2.9	4,257.9	205.2	5.1
OTHER TAX REVENUE	<u>313.9</u>	<u>(7.9)</u>	<u>(2.5)</u>	<u>305.8</u>	<u>(8.1)</u>	<u>(2.6)</u>	<u>306.6</u>	<u>0.8</u>	<u>0.3</u>
GROSS GENERAL REVENUES	4,609.1	274.6	6.3	4,747.1	138.0	3.0	4,968.1	221.0	4.7
PLUS: ACT 1022 (2003) (HSC)	1.7	1.7	0.0	0.0	(1.7)	(100.0)	0.0	0.0	0.0
GEN IMPROVEMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FED FISCAL RELIEF	0.0	(25.0)	(100.0)	0.0	0.0	0.0	0.0	0.0	0.0
PROPERTY TAX RELIEF TRUST FUND	25.0	0.0	0.0	18.2	(6.9)	(27.4)	22.0	3.9	21.2
REVENUE ALLOTMENT RESERVE	0.0	0.0	0.0	0.0	0.0	0.0	34.0	34.0	0.0
UNCLAIMED PROPERTY	0.0	(14.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LESS: SCS/COF	138.3	1.2	0.9	142.4	4.1	3.0	149.0	6.6	4.7
INDIVIDUAL REFUNDS	299.8	40.6	15.7	331.6	31.8	10.6	344.6	13.0	3.9
CORPORATE REFUNDS	55.0	(1.2)	(2.2)	57.0	2.0	3.6	59.0	2.0	3.5
CLAIMS	10.0	10.0	N.A.	10.0	0.0	N.A.	10.0	0.0	N.A.
ECON DEVEL INCENTIVE FUND	15.8	5.5	53.8	17.4	1.6	10.1	19.1	1.7	9.8
WATER/SEWER BONDS	6.3	1.8	40.0	7.4	1.1	17.5	8.6	1.2	16.2
MLA CITY/CO TOURIST	7.7	(1.0)	(11.5)	7.2	(0.5)	(6.5)	7.2	0.0	0.0
DESEGREGATION SETTLEMENT	32.8	(21.0)	(39.1)	58.7	25.9	79.0	60.4	1.7	2.9
EDUC EXCEL TRUST FUND	245.9	12.0	5.1	259.4	13.5	5.5	268.6	9.2	3.5
ELDERLY TRANSPORTATION	2.2	(0.0)	(1.5)	2.2	0.0	0.0	2.2	0.0	0.0
COLL SVNGS BOND DEBT SRV.	24.0	0.1	0.4	24.0	0.0	0.0	24.0	0.0	0.0
EDUCATIONAL ADEQUACY	21.7	21.7	0.0	22.9	1.2	5.5	23.7	0.8	3.5
ADD'L HSC TRANSFER	0.0	(9.8)	(100.0)	0.0	0.0	0.0	0.0	0.0	0.0
ALLOTMENT RESERVE	<u>146.4</u>	<u>73.6</u>	<u>100.9</u>	<u>0.0</u>	<u>(146.4)</u>	<u>(100.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
NET AVAILABLE REVENUES	3,629.9	103.9	2.9	3,825.1	195.2	5.4	4,047.7	222.6	5.8
ECONOMIC ASSUMPTIONS	FY 2005 e			FY 2006 e			FY 2007 e		
U.S. NOMINAL GDP (Billions \$)	12,044.5	678.4	6.0	12,664.0	619.5	5.1	13,303.0	639.0	5.0
GDP (2000\$ CHAIN WEIGHT)	11,037	403	3.8	11,411	374	3.4	11,794	383	3.4
CONS PRICE INDEX (1984=100)	191.2	5.2	2.8	194.4	3.2	1.7	197.7	3.4	1.7
NET GEN REV (Millions \$)	4,254.3	235.2	5.9	4,358.5	104.2	2.4	4,564.5	206.0	4.7
AR. STATE PERS INCOME (M\$)	72,027	3,570	5.2	75,574	3,547	4.9	79,349	3,775	5.0
NGR % of ASPI	5.907	0.0	0.6	5.767	(0.1)	(2.4)	5.752	(0.0)	(0.3)
NON-FARM PERSONAL INCOME	69,997	3,524	5.3	73,551	3,554	5.1	77,331	3,780	5.1
AR. W & S DISBURSEMENTS (M\$)	36,950	1,886	5.4	38,821	1,871	5.1	40,646	1,825	4.7
DIVIDENDS, INTEREST, AND RENT	10,681	327	3.2	11,182	501	4.7	11,680	498	4.5
AR. NON-FARM PROPR INC (M\$)	5,711.2	417.9	7.9	5,996.7	285.5	5.0	6,241.0	244.3	4.1
AR. TAXABLE SALES (B\$)	42.24	2.2	5.5	43.73	1.5	3.5	46.00	2.3	5.2
AR. W & S EMPLOYMENT	1,158,100	11,800	1.0	1,175,800	17,700	1.5	1,187,400	11,600	1.0
AR. MANUFAC EMPLOYMENT	202,840	(1,680)	(0.8)	201,970	(870)	(0.4)	200,430	(1,540)	(0.8)
AR. FARM INCOME (\$)	2,030.3	46.3	2.3	2,023.5	(6.8)	(0.3)	2,018.3	(5.2)	(0.3)
AR. POPULATION	2,754,800	17,600	0.6	2,772,400	17,600	0.6	2,790,100	17,700	0.6
AR PER CAPITA INCOME (\$)	26,146	1,137	4.5	27,258	1,112	4.3	28,439	1,181	4.3

ECONOMIC NOTES

Most Recent Estimate of GDP Growth

Gross Domestic Product is a measure of the nation's output of domestically produced goods and services. The Commerce Department's estimate of real GDP growth uses the chain-weighted measure instead of the fixed-weighted measure used previously. The calculation better reflects yearly price fluctuations.

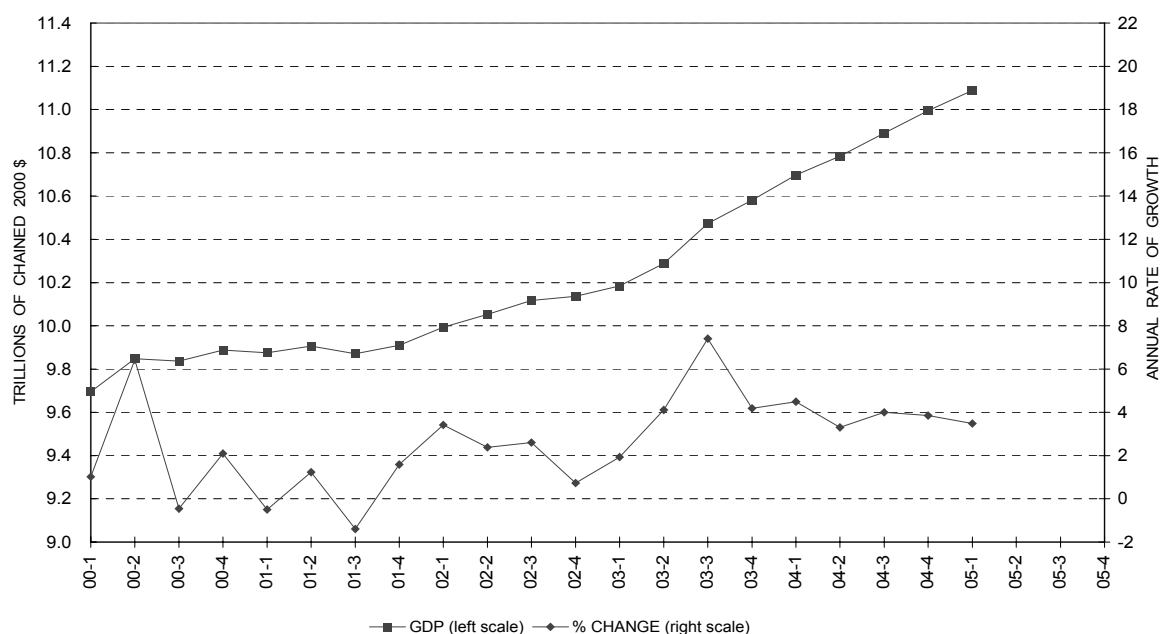
Quarterly estimates of GDP are released on the following schedule: Advance estimates, based on preliminary and incomplete source data and BEA assumptions about the missing source data, are released in the first month after the end of the quarter. Preliminary and final estimates, which incorporate additional and revised source data, are released in the second and third months, respectively.

The U.S. economy grew at a 3.5% annual rate in the first quarter of 2005 according to the Commerce Department's preliminary estimate for GDP growth. This is a decrease from the previous quarter's growth rate of 3.8%. Real GDP grew 4.4% in 2004. In comparison, GDP grew by 3.0% in 2003, 1.9% in 2002, 0.8% in 2001, and 3.7% in 2000.

Quarterly estimates of GDP since the first quarter of 2000, and the annualized growth rates implied by these estimates, are displayed in the graph below.

More detailed information about Gross Domestic Product may be found at the BEA's Web site at <www.bea.gov>.

REAL GROSS DOMESTIC PRODUCT, 2000-PRESENT



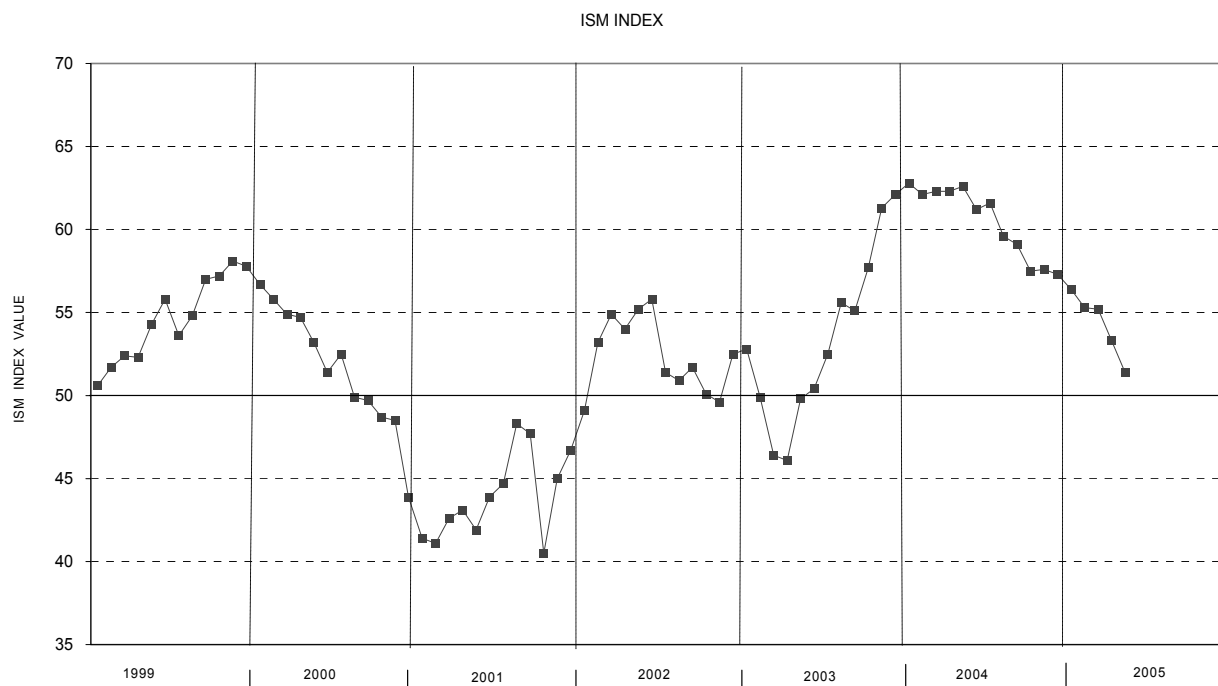
Institute for Supply Management's Purchasing Managers' Index (PMI)

The Institute for Supply Management reported that May's Purchasing Managers' Index fell from 53.3 percent to 51.4 percent, indicating slower growth in the manufacturing sector. "The manufacturing sector grew for the 24th consecutive month in May based on the ISM data. While this represents the longest period of growth in the last 16 years, the data also indicates that the sector is losing momentum, as this month's PMI is at the lowest level since June 2003 when it registered 50.4," reported Norbert J. Ore, C.P.M., chair of the Institute for Supply Management's Manufacturing Business Survey Committee.

The 50 percent mark is generally interpreted as the dividing line between growth and contraction in the manufacturing sector. An index in excess of 42.7 percent, over a period of time, indicates that the **overall** economy is expanding and under 42.7 percent that it is declining. According to the index, the overall economy grew for the 43rd consecutive month in May.

The Purchasing Managers' Index is based on a survey of 300 purchasing officials in a variety of manufacturing industries and gauges improvement or decline in areas such as employment, production, inventory, and new orders. This month's report reflects the U.S. Department of Commerce's recently completed annual adjustment to the seasonal factors used to calculate the indexes.

The chart below tracks performance of the Purchasing Managers' Index since January 1999.



Labor Force Statistics, Arkansas and the U.S.

The U.S. Bureau of Labor Statistics reported that seasonally adjusted nonagricultural employment in the nation in May increased 78,000 to a level of 133.3 million. This followed a gain of 274,000 in April. In May, construction employment rose by 20,000 as gains among residential contractors more than offset losses among nonresidential contractors. Gains continued to be made in educational and health services (+40,000) while employment in leisure and hospitality and professional and business services was little changed. Manufacturing employment fell by 7,000 in May and is down 67,000 since August 2004. The national unemployment rate dropped slightly to 5.1 percent.

In Arkansas, the Employment Security Department reported that nonagricultural employment (not seasonally adjusted) rose 3,700 to a level of 1,174,700 in May. Construction employment rose by 1,100 as summer construction projects began. Employment in the services sector rose by 1,900, with most of the gain accounted for in leisure and hospitality. The number of jobs in manufacturing continued to remain steady at 202,600 with little or no change noted in all subgroups. Government was the only major sector to post a loss of jobs as institutions of higher education released personnel for the summer. The State's seasonally adjusted unemployment rate in May rose slightly to 5.0 percent from 4.9 percent the previous month.

Compared to May 2004, employment increased by 12,800. Gains were made in all major sectors except manufacturing and information. The largest over-the-year gain of 7,400 occurred in services. The sector with the largest percentage gain was natural resources/mining with 5.7 percent. Government employment rose 3,000 with local government providing 70 percent of the growth. Manufacturing employment fell by 1,600 jobs (-0.8 percent). Industries reporting gains included wood products, primary metals, electrical equipment, transportation equipment, and food. Arkansas' unemployment rate in May 2004 was 5.8 percent.

ARKANSAS NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, BY INDUSTRIAL SECTOR

	MAY 2005	APR. 2005	MAY 2004	CHANGE SINCE:			
				LAST MONTH		LAST YEAR	
				N	%	N	%
TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (1000s)	1174.7	1171.0	1161.9	3.7	0.3	12.8	1.1
NATURAL RESOURCES/MINING	7.4	7.3	7.0	0.1	1.4	0.4	5.7
CONSTRUCTION	53.3	52.2	52.3	1.1	2.1	1.0	1.9
MANUFACTURING	202.6	202.6	204.2	0.0	0.0	-1.6	-0.8
DURABLE GOODS	107.5	107.4	108.6	0.1	0.1	-1.1	-1.0
NONDURABLE GOODS	95.1	95.2	95.6	-0.1	-0.1	-0.5	-0.5
FOOD & KIND. PRODS.	51.7	51.7	51.6	0.0	0.0	0.1	0.2
TRANSP. & UTILITIES	64.5	64.4	64.2	0.1	0.2	0.3	0.5
TRADE	178.1	177.1	176.8	1.0	0.6	1.3	0.7
INFORMATION	20.2	20.1	20.2	0.1	0.5	0.0	0.0
FIN./INS./REAL EST.	51.9	51.7	50.9	0.2	0.4	1.0	2.0
SERVICES	391.2	389.3	383.8	1.9	0.5	7.4	1.9
GOVERNMENT	205.5	206.3	202.5	-0.8	-0.4	3.0	1.5

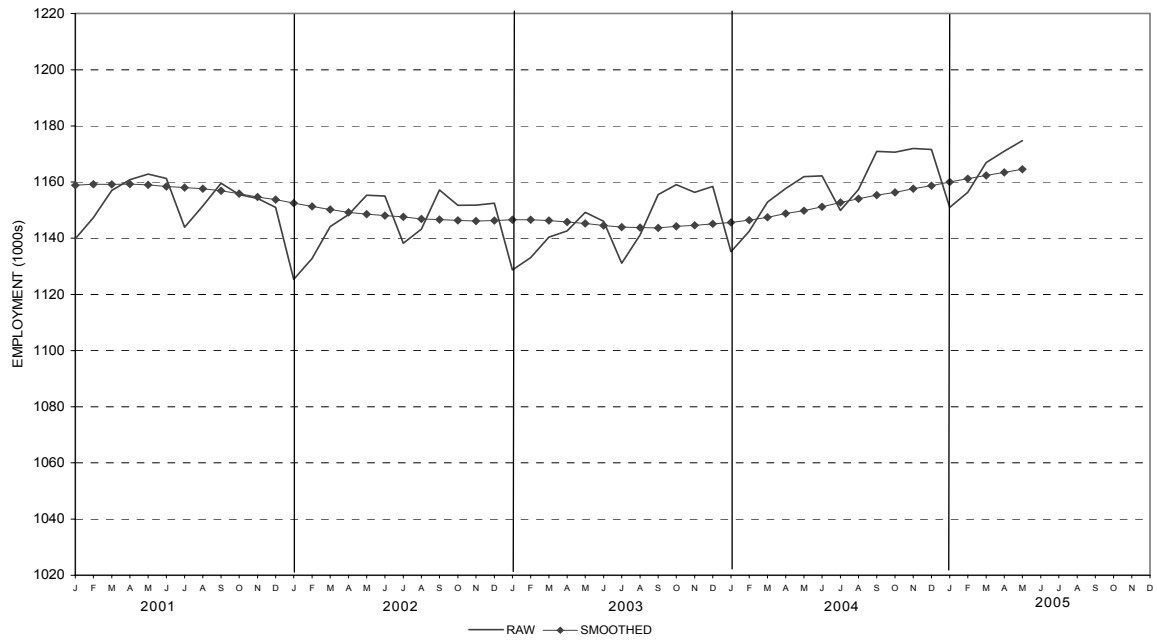
SOURCE: Arkansas Employment Security Department.

The graphs on the next page place Arkansas' employment growth patterns in a somewhat longer historical context. The upper graph shows the absolute level of nonagricultural employment in the state. The "raw" or unadjusted data show the seasonality of employment in the state, with sharp drops in employment occurring in January and July, while the "smoothed" data (12-month moving averages) reveal the underlying trends in employment.

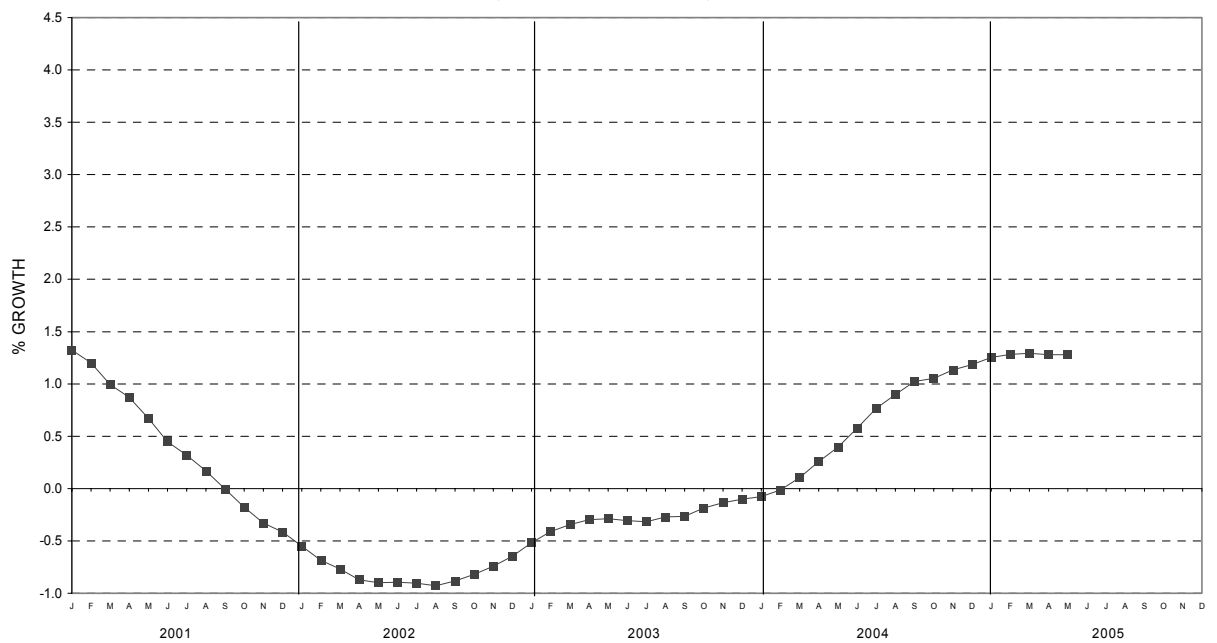
Underlying growth trends are portrayed even more clearly in the lower graph, which gives the percentage increase in employment over a 12-month period, based on the smoothed data shown above. After accounting for some seasonal factors, the annualized rate of employment growth in the state remained at 1.3 percent in May 2005.

The data in these two graphs reflect the benchmark revisions made by ESD and BLS in January 2005 to the employment data for 2003 and 2004.

ARKANSAS' NONAGRICULTURAL EMPLOYMENT



ARKANSAS' 12-MONTH EMPLOYMENT GROWTH
(BASED ON SMOOTHED DATA)



The table below places Arkansas' employment growth in comparative national perspective. For the 12-month period ending in April 2005, Arkansas' employment rate of growth of 1.3 percent ranked 30th in the nation. Over the same 12-month period, employment in the nation as a whole rose by 1.5 percent.

TOTAL NONAGRICULTURAL JOB GROWTH FOR THE U.S. AND STATES:
12 MONTHS ENDING APRIL 2005 VS. 12 MONTHS ENDING APRIL 2004

State	Rank Apr. 2005	Percent Change	Rank Apr. 2004	Thousands of Jobs		
				Job Growth	Apr. 2005	Apr. 2004
Nevada	1	6.5	1	71.3	1,177.1	1,105.8
Arizona	2	3.8	2	87.7	2,405.3	2,317.6
Florida	3	3.6	4	261.2	7,585.7	7,324.4
Utah	4	3.3	12	35.1	1,116.4	1,081.3
Oregon	5	3.1	39	48.4	1,613.8	1,565.3
Idaho	6	3.0	13	17.4	592.5	575.1
Hawaii	7	2.9	3	16.5	587.9	571.3
Montana	8	2.9	8	11.5	414.8	403.2
Virginia	9	2.6	14	91.3	3,611.2	3,519.8
Delaware	10	2.2	10	9.3	427.3	417.9
Wyoming	11	2.0	5	5.1	257.2	252.1
New Mexico	12	2.0	7	15.5	795.6	780.1
Colorado	13	2.0	45	42.4	2,195.9	2,153.5
Washington	14	1.9	20	51.3	2,717.6	2,666.3
Alabama	15	1.9	32	34.9	1,914.1	1,879.2
North Dakota	16	1.6	11	5.4	339.3	333.8
Indiana	17	1.6	30	47.2	2,948.7	2,901.4
New Hampshire	18	1.6	16	9.9	630.5	620.6
Alaska	19	1.6	6	4.7	305.4	300.7
North Carolina	20	1.6	43	58.9	3,849.8	3,790.8
South Dakota	21	1.6	21	5.8	385.1	379.2
UNITED STATES		1.5		2,001.2	132,221.2	130,220.0
California	22	1.5	36	216.6	14,622.4	14,405.8
Vermont	23	1.5	18	4.5	304.8	300.3
Maryland	24	1.5	15	37.1	2,536.7	2,499.5
Kansas	25	1.5	47	19.2	1,330.8	1,311.6
Nebraska	26	1.4	22	12.9	928.1	915.2
Tennessee	27	1.4	23	37.3	2,710.9	2,673.5
Texas	28	1.4	34	131.0	9,520.8	9,389.8
Oklahoma	29	1.4	48	20.3	1,479.1	1,458.8
Arkansas	30	1.3	24	14.7	1,163.5	1,148.7
West Virginia	31	1.3	35	9.1	738.8	729.7
Wisconsin	32	1.2	29	33.4	2,813.4	2,779.9
Iowa	33	1.1	27	16.4	1,460.7	1,444.3
Minnesota	34	1.1	31	30.1	2,691.2	2,661.0
Maine	35	1.1	19	6.7	615.6	608.9
Georgia	36	1.1	33	42.3	3,898.8	3,856.5
Mississippi	37	1.1	38	12.2	1,129.3	1,117.1
New Jersey	38	1.0	25	40.5	4,022.9	3,982.4
Rhode Island	39	1.0	9	4.8	490.5	485.7
Connecticut	40	1.0	44	15.9	1,658.7	1,642.7
Kentucky	41	0.9	28	16.0	1,802.5	1,786.4
Pennsylvania	42	0.8	37	46.9	5,660.1	5,613.1
Missouri	43	0.8	41	21.5	2,701.6	2,680.1
New York	44	0.8	40	66.2	8,473.9	8,407.7
South Carolina	45	0.6	26	11.6	1,822.6	1,811.0
Louisiana	46	0.6	17	11.2	1,923.9	1,912.6
Ohio	47	0.4	42	23.0	5,417.5	5,394.5
Massachusetts	48	0.4	50	12.6	3,189.7	3,177.0
Illinois	49	0.3	46	17.7	5,819.0	5,801.3
Michigan	50	-0.3	49	-14.0	4,386.8	4,400.9

SOURCE: Arizona State University's Economic Outlook Center and the U.S. Bureau of Labor Statistics

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

FISCAL YEAR 2005								
FUND ACCOUNTS	"A"	"B"	"B-1"	"B-2"	TOTAL ALLOCATIONS	FORECAST "A"+"B"+"B-1"+"B-2"	OVER / (UNDER) FY04	% (DECR)
General Education	\$1,587,868,208				\$1,587,868,208	\$1,587,868,208	\$0	0.00%
State Library	2,000,000				2,000,000	2,000,000	0	0.00%
Workforce Education	20,717,464		2,226,265		22,943,729	22,943,729	726,265	3.27%
TOTAL - PUBLIC SCHOOL FUND	\$1,610,585,672	\$0	\$2,226,265	\$0	\$1,612,811,937	\$1,612,811,937	\$726,265	0.05%
GENERAL EDUCATION FUND								
Dept. of Education	\$11,841,192				\$11,841,192	\$11,841,192	\$0	0.00%
Educational Television	3,915,547		450,000		4,365,547	4,365,547	0	0.00%
School for the Blind	4,501,356		350,000		4,851,356	4,851,356	0	0.00%
School for the Deaf	7,611,333		600,000		8,211,333	8,211,333	0	0.00%
State Library	2,792,127		150,000		2,942,127	2,942,127	0	0.00%
Dept. of Workforce Education	2,760,686				2,760,686	2,760,686	0	0.00%
Rehabilitation Services	11,580,597		475,604		12,056,201	12,056,201	0	0.00%
Subtotal - General Education	\$45,002,838	\$0	\$2,025,604	\$0	\$47,028,442	\$47,028,442	\$0	0.00%
Technical Institutes:								
Arkansas Valley TI	\$2,074,400				\$2,074,400	\$2,074,400	\$0	%,0.00
Crowley's Ridge TI	2,169,741				2,169,741	2,169,741	0	%,0.00
Northwest TI	2,514,789				2,514,789	2,514,789	0	%,0.00
Riverside VTS	1,959,586				1,959,586	1,959,586	0	%,0.00
Subtotal - Technical Inst.'s	\$8,718,516	\$0	\$0	\$0	\$8,718,516	\$8,718,516	\$0	%,0.00
TOTAL GENERAL ED. FUND	\$53,721,354	\$0	\$2,025,604	\$0	\$55,746,958	\$55,746,958	\$0	%,0.00
HUMAN SERVICES FUND								
DHS-Administration	\$13,526,819				\$13,526,819	\$13,526,819	\$0	0.00%
Aging and Adult Services	10,602,577				10,602,577	10,602,577	0	0.00%
Children & Family Services	39,569,687				39,569,687	39,569,687	0	0.00%
Child Care/Early Childhood Ed.	527,678				527,678	527,678	0	0.00%
Youth Services	41,782,428	2,000,000			43,782,428	43,782,428	2,000,000	4.79%
Devel. Disab. Services	47,129,849	3,100,000			50,229,849	50,229,849	3,100,000	6.58%
Medical Services	4,574,127				4,574,127	4,574,127	0	0.00%
DHS-Grants	477,861,101	71,200,000		2,500,000	551,561,101	551,561,101	73,700,000	15.42%
Mental Health Services	56,974,670			3,500,000	60,474,670	60,474,670	3,500,000	6.14%
Services for the Blind	1,770,435				1,770,435	1,770,435	0	0.00%
County Operations	39,291,910				39,291,910	39,291,910	0	0.00%
TOTAL HUMAN SERVICES FUND	\$733,611,281	\$76,300,000	\$0	\$6,000,000	\$815,911,281	\$815,911,281	\$82,300,000	11.22%

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

FISCAL YEAR 2005								
FUND ACCOUNTS	"A"	"B"	"B-1"	"B-2"	TOTAL ALLOCATIONS	FORECAST "A"+"B"+"B-1"+"B-2"	OVER / (UNDER) FY04	% (DECR)
STATE GENERAL GOV'T FUND								
Dept. of Ark. Heritage	\$4,254,886		\$436,419		\$4,691,305	\$4,691,305	\$419	0.01%
Dept. of Labor	2,340,542				2,340,542	2,340,542	0	0.00%
Dept. of Higher Education	2,760,148		100,000		2,860,148	2,860,148	0	0.00%
Dept. of H.E.-Grants	32,727,818	334,089	1,599,292		34,661,199	34,661,199	833,995	2.47%
Dept. of Economic Development	9,356,023				9,356,023	9,356,023	0	0.00%
Dept. of Correction	201,830,355	4,700,000			206,530,355	206,530,355	4,700,000	2.33%
Dept. of Community Correction	43,873,760	1,000,000			44,873,760	44,873,760	1,000,000	2.28%
Livestock & Poultry Commission	3,407,158				3,407,158	3,407,158	0	0.00%
State Military Department	7,797,534				7,797,534	7,797,534	0	0.00%
Dept. of Parks & Tourism	19,005,279		605,190		19,610,469	19,610,469	74,451	0.38%
Dept. of Environmental Quality	3,501,452				3,501,452	3,501,452	0	0.00%
Miscellaneous Agencies	39,507,674		4,021,143		43,528,817	43,528,817	(2,606,132)	(5.65%)
TOTAL STATE GENERAL GOV'T	\$370,362,629	\$6,034,089	\$6,762,044	\$0	\$383,158,762	\$383,158,762	\$4,002,733	1.06%
OTHER FUNDS								
County Aid	\$19,741,546				\$19,741,546	\$19,741,546	\$0	0.00%
County Jail Reimbursement	\$2,806,592				2,806,592	2,806,592	(8,000,000)	(74.03%)
Crime Information Center	3,393,959				3,393,959	3,393,959	0	0.00%
Child Support Enforcement	13,014,933				13,014,933	13,014,933	0	0.00%
Forestry Commission	5,644,742				5,644,742	5,644,742	0	0.00%
Merit Adjustment Fund			21,300,000		21,300,000	21,300,000	9,200,000	76.03%
Motor Vehicle Acquisition	942,513				942,513	942,513	0	0.00%
Municipal Aid	27,506,527				27,506,527	27,506,527	0	0.00%
Dept. of Health	49,350,845		3,366,495		52,717,340	52,717,340	1,442,950	2.81%
State Police	41,273,870		3,200,000		44,473,870	44,473,870	0	0.00%
Plant Board Fund	2,196,289				2,196,289	2,196,289	0	0.00%
TOTAL OTHER FUNDS	\$165,871,816	\$0	\$27,866,495	\$0	\$193,738,311	\$193,738,311	\$2,642,950	1.38%
INST'S OF HIGHER EDUCATION								
Arkansas State University	\$46,974,718		\$1,755,977		\$48,730,695	\$48,730,695	\$860,693	1.80%
Arkansas Tech University	19,568,768		977,017		20,545,785	20,545,785	369,928	1.83%
Henderson State University	15,586,728		636,234		16,222,962	16,222,962	336,894	2.12%
Southern Arkansas University	12,554,702		590,760		13,145,462	13,145,462	235,946	1.83%
UA - Fayetteville	91,304,016		3,513,508		94,817,524	94,817,524	1,729,090	1.86%
UA - Archeological Survey	1,682,113		72,901		1,755,014	1,755,014	38,148	2.22%
UA - Agriculture	48,632,816		1,999,234		50,632,050	50,632,050	992,252	2.00%
UA - Criminal Justice Institute	1,515,569		71,579		1,587,148	1,587,148	35,915	2.32%
UA - Ft. Smith	14,924,290		662,850		15,587,140	15,587,140	371,730	2.44%
UA-Little Rock	44,787,361	2,000,000	1,835,189		48,622,550	48,622,550	2,996,800	6.57%
UA-Medical Sciences	65,606,236		3,564,643	150,000	69,320,879	69,320,879	2,402,930	3.59%
UAMS - Indigent Care	4,804,860		129,847		4,934,707	4,934,707	(1)	(0.00%)
UA-Monticello	12,635,276		419,602		13,054,878	13,054,878	224,106	1.75%
UA-Pine Bluff	21,512,493	385,668	659,946		22,558,107	22,558,107	697,075	3.19%
University of Central Arkansas	37,695,628		1,473,029		39,168,657	39,168,657	738,805	1.92%
Sub-Total Four Year	\$439,785,574	\$2,385,668	\$18,362,316	\$150,000	\$460,683,558	\$460,683,558	\$12,030,311	2.68%

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

FISCAL YEAR 2005								
FUND ACCOUNTS	"A"	"B"	"B-1"	"B-2"	TOTAL ALLOCATIONS	FORECAST "A"+"B"+"B-1"+"B-2"	OVER / (UNDER) FY04	% (DECR)
INST'S OF HIGHER EDUCATION CONTINUED:								
Two Year Institutions:								
Arkansas Northeastern College	\$7,314,919				\$7,314,919	\$7,314,919	\$0	0.00%
Arkansas State University - Beebe	\$9,306,390				9,306,390	9,306,390	\$0	0.00%
Arkansas State Univ.-Mountain Home	2,366,796				2,366,796	2,366,796	0	0.00%
Arkansas State University - Newport	2,050,323				2,050,323	2,050,323	0	0.00%
Cossatot Cmty. College of the UA	2,245,065				2,245,065	2,245,065	0	0.00%
East Arkansas Cmty. College	4,994,759				4,994,759	4,994,759	0	0.00%
Mid-South Cmty. College	2,536,399				2,536,399	2,536,399	0	0.00%
National Park Cmty. College	7,267,530				7,267,530	7,267,530	0	0.00%
North Arkansas College	6,659,532				6,659,532	6,659,532	0	0.00%
NorthWest Arkansas Cmty. College	5,823,788				5,823,788	5,823,788	0	0.00%
Phillips Cmty. College of the UA	7,635,269				7,635,269	7,635,269	0	0.00%
Rich Mountain Cmty. College	2,605,870				2,605,870	2,605,870	0	0.00%
Southern Ark. University - Tech	5,858,484				5,858,484	5,858,484	0	0.00%
South Arkansas Cmty. College	5,028,984				5,028,984	5,028,984	0	0.00%
U of A - Cmty. College at Batesville	2,747,147				2,747,147	2,747,147	0	0.00%
U of A - Cmty. College at Hope	3,462,943				3,462,943	3,462,943	0	0.00%
U of A - Cmty. College at Morrilton	3,239,560				3,239,560	3,239,560	0	0.00%
Two-Year College Model Formula	2,851,107		4,832,658		7,683,765	7,683,765	2,257,320	41.60%
Sub-Total Two Year	\$83,994,865	\$0	\$4,832,658	\$0	\$88,827,523	\$88,827,523	\$2,257,320	2.61%
Technical Colleges:								
Black River	\$4,410,588				\$4,410,588	\$4,410,588	\$0	0.00%
Ouachita	2,394,144				2,394,144	2,394,144	0	0.00%
Ozarka	2,052,535				2,052,535	2,052,535	0	0.00%
Pulaski	6,316,028				6,316,028	6,316,028	0	0.00%
Southeast Arkansas College	3,874,179				3,874,179	3,874,179	0	0.00%
Sub-Total Technical Colleges	\$19,047,474	\$0	\$0	\$0	\$19,047,474	\$19,047,474	\$0	0.00%
TOTAL INST'S OF HIGHER ED.	\$542,827,913	\$2,385,668	\$23,194,974	\$150,000	\$568,558,555	\$568,558,555	\$14,287,631	2.58%
GRAND TOTAL	\$3,476,980,665	\$84,719,757	\$62,075,382	\$6,150,000	\$3,629,925,804	\$3,629,925,804	\$103,959,579	2.95%

Prepared by DFA-Office of Budget 5/19/03

**EDUCATIONAL EXCELLENCE TRUST FUND
OFFICIAL FORECAST
FISCAL YEAR 2005**

FUND ACCOUNT	FY05 ORIGINAL FORECAST	FY05 REVISED FORECAST	DIFFERENCE
DEPT. OF EDUCATION PUBLIC SCHOOL FUND:	<u>\$163,399,629</u>	<u>\$165,146,203</u>	<u>\$1,746,574</u>
WORKFORCE EDUCATION PUBLIC SCHOOL FUND:	<u>\$9,987,401</u>	<u>\$10,094,156</u>	<u>\$106,755</u>
DEPARTMENT OF EDUCATION FUND ACCOUNT:	<u>\$800,519</u>	<u>\$809,075</u>	<u>\$8,557</u>
DEPARTMENT OF WORKFORCE EDUCATION FUND:	<u>\$2,997,413</u>	<u>\$3,029,453</u>	<u>\$32,039</u>
HIGHER EDUCATION GRANTS FUND ACCT:	<u>\$11,017,510</u>	<u>\$11,135,276</u>	<u>\$117,766</u>
SCHOOL FOR MATH, SCIENCE AND ARTS FUND:	<u>\$5,961,509</u>	<u>\$6,025,232</u>	<u>\$63,722</u>
INSTITUTIONS OF HIGHER EDUCATION:			
Four Year Institutions:			
Arkansas State University	\$5,034,288	\$5,088,100	\$53,811
Arkansas Tech University	1,687,527	1,705,565	\$18,038
Henderson State University	1,745,668	1,764,327	\$18,659
Southern Arkansas University	1,032,077	1,043,109	\$11,032
UA - Fayetteville	12,492,350	12,625,881	\$133,530
UA - Little Rock	4,433,134	4,480,520	\$47,386
UA Medical Center	7,632,988	7,714,577	\$81,589
UAMS - Indigent Care	189,938	191,969	\$2,030
UA - Monticello	890,715	900,236	\$9,521
UA - Pine Bluff	1,546,262	1,562,790	\$16,528
University of Central Arkansas	3,841,900	3,882,966	\$41,066
Two Year Institutions:			
Arkansas Northeastern College	602,105	608,541	\$6,436
ASU - Beebe	1,201,088	1,213,926	\$12,838
East Arkansas Community College	628,559	635,278	\$6,719
National Park Community College	940,099	950,147	\$10,049
North Arkansas College	371,220	375,188	\$3,968
Northwest Arkansas Community College	830,805	839,685	\$8,880
Phillips Community College - U of A	612,131	618,675	\$6,543
Rich Mountain Community College	165,917	167,690	\$1,773
SAU - Tech	269,465	272,345	\$2,880
South Arkansas Community College	429,889	434,484	\$4,595
UA - Fort Smith	2,557,893	2,585,235	\$27,341
TOTAL INSTITUTIONS OF HIGHER EDUCATION	<u>\$49,136,019</u>	<u>\$49,661,233</u>	<u>\$525,214</u>
GRAND TOTAL	<u><u>\$243,300,000</u></u>	<u><u>\$ 245,900,627</u></u>	<u><u>\$2,600,627</u></u>

August 16, 2004
DFA- Office of Budget

FINANCIAL INFORMATION SOURCES STATE OF ARKANSAS

FINANCIAL ORGANIZATIONS AND MANAGEMENT

The following state organizations share responsibility for statewide financial management: The General Assembly, the Office of the Budget and the Office of Accounting of the Department of Finance and Administration, the Governor, the Treasurer, and the Division of Legislative Audit.

The General Assembly has responsibility for legislating the level of state services and appropriating the funds for operations of state agencies. The Office of Budget prepares the Executive Budget with the advice and consent of the Governor. The Office of Budget also monitors the level and type of state expenditures. The Accounting Division has the responsibility for maintaining fund and appropriation control and, through the Pre-audit Section and in conjunction with the State Treasurer, has responsibility for the disbursement process. The Treasurer has responsibility for disbursement, bank reconciliation, and investment of state funds (with the advice of the State Board of Finance). The Division of Legislative Audit has responsibility for performing financial post-audits of state agencies.

BUDGET AND APPROPRIATION PROCESS

State agencies submit biennial budget requests to the Office of Budget of the Department of Finance and Administration. The Office of Budget prepares the Executive Budget based on estimates of general revenues as prepared by the Office of Economic Analysis and Tax Research of DFA. The Executive Budget contains the budget amount recommended by the Governor.

The General Assembly appropriates money after consideration of both the Executive Budget and the revenue estimate. The appropriation process begins in the joint House-Senate Budget Committee and then proceeds through both houses of the General Assembly. Legislative appropriations are subject to the Governor's approval or veto, including the authority of line-item veto.

The General Assembly also must amend the Revenue Stabilization Act to provide for an allotment process of funding appropriations in order to comply with state law prohibiting deficit spending. The Governor may restrict spending below the level of appropriations.

REVENUE STABILIZATION LAW

Act 750 of 1973, as amended, established the State's Revenue Stabilization Law. This law and related legislation govern the administration and distribution of State revenues.

Pursuant to the Stabilization Law, all general and special revenues are deposited into the General Revenue Allotment Account and the Special Revenue Allotment Account according to the type of revenue being deposited. From the General Revenues Fund, 3% of all general revenues are first distributed to the Constitutional Officers Fund and the Central Services Fund to provide support for the States' elected

officials and their staffs and the Department of Finance and Administration.

The balance is then distributed to separate funds proportionately as established by the Stabilization Law. From the Special Revenue Fund, 3% of all special revenues collected by DFA and 1.5% of all special revenues collected by other agencies are first distributed to provide support for the State's elected officials, their staffs, and DFA. The balance is then distributed to the funds for which the special revenues were collected.

Special revenues, which are primarily user taxes, are generally earmarked for the program or agency providing the related services.

General revenues are transformed into funds established and maintained by the Treasurer for major programs and agencies of the state in accordance with fund priorities established by the General Assembly.

According to the Stabilization Law, the General Assembly establishes three levels of priority for general revenue spending, levels "A", "B", and "C". Successive levels of appropriations are funded only in the event sufficient revenues have been generated to fully fund any prior level. Accordingly, appropriations made to programs and agencies are only maximum authorizations to spend. Actual expenditures are limited to the lesser of (1) moneys flowing into a program or agencies' fund maintained by the Treasurer or (2) the maximum appropriation by the General Assembly.

Because state revenues are not collected throughout the year in a pattern consistent with program and agency expenditures, a budget revolving fund, which receives interest earnings for State fund investments, has been established and is utilized to assure proper cash flow during any period.

For more detailed information, please see:

- State of Arkansas, Biennial Budget, prepared by the Office of Budget, DFA.
- Annual Financial Report, prepared by the Office of Accounting, DFA.
- State of Arkansas, Biennial Report, prepared by the Treasurer of the State.
- Arkansas Legislative Tax Handbook, prepared by the Arkansas Legislative Council.
- Selected Statistical Financial Data for Arkansas (referred to as the A & B Books), prepared by the Arkansas Legislative Council.

STATE OF ARKANSAS
Special Revenues Monthly and Year to Date Collections
For Month Ending May 31, 2005

	Month				Year-To-Date			
Taxes, Fees, Licenses & Permits	May 2004	May 2005	Increase/Decrease		May 2004	May 2005	Increase/Decrease	
			Amount	Percent			Amount	Percent
Conservation Tax Act Act 156/97	4,063,769.32	4,545,051.54	481,282.22	11.84%	45,946,475.99	49,019,590.45	3,073,114.46	6.69%
Corporate Income Tax Est. Act 1052/91	1,033,224.89	1,097,479.51	64,254.62	6.22%	11,365,473.79	12,072,274.61	706,800.82	6.22%
Estate Tax Act 590/93	0.00	0.00	0.00	N/A	7,380,543.06	4,703,830.06	(2,676,713.00)	-36.27%
Motor Fuel Tax Act 445/73	1,707,291.35	1,675,485.66	(31,805.69)	-1.86%	19,061,840.41	18,904,059.04	(157,781.37)	-0.83%
Gasoline Tax	34,272,802.10	33,869,325.74	(403,476.36)	-1.18%	379,866,532.04	378,908,215.78	(958,316.26)	-0.25%
Premium Tax Fire Tornado & Marine	43,070,442.45	45,146,746.04	2,076,303.59	4.82%	43,070,442.45	45,146,746.04	2,076,303.59	4.82%
Real Estate Transfer Tax Act 729/87	3,099,437.10	3,519,145.30	419,708.20	13.54%	26,909,579.28	32,494,340.82	5,584,761.54	20.75%
Motor Fuel Tax Act 437/79	1,707,291.35	1,675,485.66	(31,805.69)	-1.86%	19,061,840.41	18,904,059.04	(157,781.37)	-0.83%
Rice Assessment Act 725/85	252,050.24	322,989.75	70,939.51	28.14%	5,586,120.97	5,212,190.89	(373,930.08)	-6.69%
Auto License Fees	8,943,297.99	7,862,598.95	(1,080,699.04)	-12.08%	93,241,652.12	98,113,125.08	4,871,472.96	5.22%
Pollution control Permit Fees Act 817/83	331,564.59	395,178.54	63,613.95	19.19%	9,787,405.56	10,223,743.98	436,338.42	4.46%
Waste Mgmt. Recycle Act 849/89	352,303.60	1,468,275.88	1,115,972.28	316.76%	6,667,627.40	7,065,031.79	397,404.39	5.96%
Utility Assessment	521,478.00	451,528.00	(69,950.00)	-13.41%	8,197,012.00	7,567,107.00	(629,905.00)	-7.68%
Insurance Dept. Fees Act 652/93	609,038.48	427,570.50	(181,467.98)	-29.80%	12,531,177.73	12,183,975.75	(347,201.98)	-2.77%
Game Protection License	1,171,145.65	1,012,383.93	(158,761.72)	-13.56%	18,003,740.87	18,334,698.38	330,957.51	1.84%
Overload Permits	598,323.80	739,494.88	141,171.08	23.59%	5,907,361.75	6,565,460.62	658,098.87	11.14%
Property Tax Relief	16,215,688.20	18,012,810.22	1,797,122.02	11.08%	183,352,985.73	192,744,741.69	9,391,755.96	5.12%
Educational Adequacy Fund	27,872,231.88	31,350,318.60	3,478,086.72	12.48%	68,598,205.07	339,595,637.60	270,997,432.53	395.05%
All other taxes, fees, permits & licenses	8,195,853.04	15,486,549.30	7,290,696.26	88.96%	117,212,225.91	134,848,254.45	17,636,028.54	15.05%
TOTAL	154,017,234.03	169,058,418.00	15,041,183.97	9.77%	1,081,748,242.54	1,392,607,083.07	310,858,840.53	28.74%

**DEPARTMENT OF FINANCE & ADMINISTRATION
DIVISION OF REVENUE**

P.O. Box 1272
Little Rock, AR 72203
(501) 682-7000

Commissioner of Revenue..... Tim Leathers
Assistant Commissioner for Operations & Administration Preston Means
Assistant Commissioner for Policy & Legal..... John Theis

Taxpayer Assistance Office..... 682-7751
Office of Motor Vehicle 682-4630
Office of Excise Tax Administration..... 682-7200
Office of Income Tax Administration..... 682-1130

Arkansas State Revenue Tax Quarterly, a quarterly newsletter, is published by the Revenue Division. For more information, contact the Taxpayer Assistance Office.

The Department of Finance and Administration has a home page on the World Wide Web. The page contains several tax forms and useful information. The address is <http://www.accessarkansas.org/dfa/>. In addition, the Office of Economic Analysis and Tax Research posts this publication, *Arkansas Fiscal Notes*, on the DFA web site. The address is http://www.accessarkansas.org/dfa/revenues_budgets.html.

**STATEMENT OF GROSS TAX COLLECTIONS
GENERAL, SPECIAL, AND TRUST REVENUES**

The statement of gross tax collections on the following pages reports only general and special revenues collected by the Revenue Division of the Department of Finance and Administration. Insurance premium taxes are collected by the Insurance Department and the corporate franchise tax by the Office of Secretary of State. The revenues from these two taxes are reported in Tables A and B. In addition to these two offices, general revenues are also collected by other offices, agencies, and commissions, such as the State Auditor, State Securities Board, et al., and are summarized under "Miscellaneous" collections in Tables A and B. A detailed listing of these revenue sources can be found in the *Arkansas Revenue Report* published monthly by the Bureau of Legislative Research, Office of Tax and Economic Policy (tel # 682-1937).

Additionally, the "Gross Receipts" reported on this statement includes sales tax, use tax, beverage excise tax, 10% mixed drink tax, and the gross receipts tax permit.

May 2005

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Special Revenues		May 2005	May 2004	11 Months 2005	11 Months 2004
101	Auto License Fees:	7,867,476.45	8,941,084.93	98,086,163.57	93,257,897.53
102	Auto Title Transfer	316,124.00	286,572.01	3,383,263.60	3,416,092.64
103	Auto Intransit Fees:	27.00	3.00	153.00	204.00
104	Drive Out License:	1,684.00	1,360.00	18,988.00	16,154.00
105	Mtr.Vehicle Trip Permits:	759.00	28,842.00	258,102.45	291,948.80
106	Transfer Building Fund:	.00	.00	.00	.00
107	Drivers Test Fee 782 Of 91:	49,270.45	46,120.00	554,380.51	529,281.23
108	Commerical Driver License Fund Act 241:	53,588.55	43,823.91	578,250.64	624,238.21
109	Boat Registration:	160,168.25	96,114.50	849,039.55	775,094.45
110	Cotton Trailer Reg. Act 68 Of 92:	.00	568.00	44,668.00	45,809.00
111	Commerical Driver License Test Act 241/198:	54,829.48	38,931.43	545,939.68	408,198.62
112	Commerical Driver License Test Act 241/1989:	149,746.72	143,882.13	1,418,599.69	1,326,563.68
113	Special Driver Fees:	63,239.00	58,545.10	682,062.09	701,082.26
114	Driver Search Fees:	793,116.28	747,971.87	7,420,104.31	6,899,899.32
115	Breast Cancer/Komen Plate 1004/03	5,025.00	3,400.00	51,475.00	21,775.00
116	DWI Act 918/1983 (Alc & Drug):	.00	.00	.00	.00
117	Alternative Fuel Fund Act 121/03	.00	79,357.54	109.94	431,556.63
118	Add Court Cost (Alc Drug 1/2):	.00	.00	.00	.00
119	Add'l Court Cost Act #185:	.00	.00	.00	.00
120	Crime Victims Reparation:	.00	.00	.00	.00
121	Motor Fuel Tax:	32,820,664.15	33,576,959.18	365,461,800.49	371,732,204.07
122	Motor Fuel Act #445:	1,675,485.66	1,707,291.35	18,904,059.04	19,061,840.41
123	Motor Fuel Act #437:	1,675,485.66	1,707,291.35	18,904,059.04	19,061,840.41
124	Public School Act 201/39	.00	.00	30,000.00	30,000.00

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Special Revenues		May 2005	May 2004	11 Months 2005	11 Months 2004
125	Severance Tax 1/4:	268,685.32	213,929.53	2,964,483.75	2,315,328.19
126	Severance Act #310:	2,881.35	2,877.42	29,791.16	32,896.48
127	Severance Act #759 of 1979:	2,842.56	5,011.87	56,178.84	54,654.63
128	Timber Severance:	281,411.61	341,449.60	3,481,985.06	3,727,418.09
129	Add'l Severance/Coal Act #560:	.00	.00	.00	.00
130	Add'l Severance Act #761:	117,185.60	100,272.24	1,307,580.68	1,287,182.69
131	Add'l Severance/Brine Act #874:	6,395.75	11,276.72	126,402.40	122,972.92
132	SoyBean State Act #259:	40,218.66	16,124.18	1,726,211.10	1,895,580.81
133	Wheat Promotion:	257.85	426.15	286,715.30	252,727.37
134	Rice Promotion:	322,989.75	252,050.24	5,212,190.89	5,586,120.97
135	Real Estate Transfer Act #754:	.00	.00	60,000.00	60,000.00
136	Real Estate Transfer Act #754:	117,303.66	103,313.56	1,099,725.30	923,901.90
137	Real Estate Transfer Act #729-80%	1,876,886.86	1,653,041.34	18,555,890.07	15,742,674.38
138	Real Estate Transfer Act #729-10%:	234,610.87	206,630.18	2,319,486.56	1,967,834.71
139	Real Estate Transfer Act 729-10%:	234,610.87	206,630.18	2,319,486.56	1,967,834.71
140	Beef Council State:	37,962.50	36,315.56	451,095.35	467,565.28
141	Wine Tax Act #906:	.00	924.33	13,770.30	11,311.23
142	Chooselife ADP 344/03	.00	2,989.00	37,534.00	9,334.50
143	Sales Tax Aviation Act #449:	392,172.85	277,245.53	3,953,444.11	3,084,017.06
144	Rental Car Search 1359/99	163.00	206.00	1,035.00	782.00
145	Dog Racing Act #382:	.00	.00	.00	.00
146	ABC Application Fees Act #675:	427.50	307.50	8,557.50	6,290.00
147	DWI Reinstatement Act 802/95:	13,204.45	12,010.95	151,421.31	152,260.15
148	Vision Test/Photo ID	130,608.25	119,500.88	1,525,844.04	1,478,521.84

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Special Revenues		May 2005	May 2004	11 Months 2005	11 Months 2004
149	Beef Council-National:	37,962.50	36,315.56	451,095.39	467,565.28
150	Brucellosis Control Fund:	51,985.00	55,681.00	726,176.69	742,282.00
151	DWI Additional Act 631/316 Of 91:	.00	.00	.00	.00
152	Waste Tire Fee #749 Of 91:	383,173.64	371,353.97	4,068,184.98	4,079,604.45
153	Swine Testing #1105 Of 91:	7.00	75.00	474.00	689.00
154	DWI Reinstatement #802/95:	62,249.55	56,623.05	713,843.31	717,797.85
155	Rural Health Act 210/39	2,430.50	77.50	135,765.50	287,238.50
156	Severance Tax #761 Of 83:	.00	.00	.00	.00
157	SoyBean Act #340/91-Nation:	40,218.61	16,124.15	1,726,210.36	1,895,580.18
158	Choose Life Plate	.00	61.00	766.00	23,115.50
159	Motor Fuel Interstate User:	1,045,284.74	696,764.97	13,443,005.99	8,316,103.64
160	Midsouth Community College 1488/01	2,035.83	3,849.09	54,038.07	39,584.58
161	Sales Tax Per Fees Act #620/93:	48,750.00	70,550.00	559,865.80	492,299.49
162	MV Validate Decal Act #974/97:	206,218.00	192,648.00	2,245,120.00	2,216,352.00
163	Liab Insurance Reinstatement #357/93:	1,260.00	1,740.00	20,560.00	21,150.00
164	ASP Ins Prem 1500/01	223,731.23	208,623.27	2,698,258.23	2,720,794.64
165	Vin Inspection 1329/03	950.00	1,900.00	14,650.00	32,450.00
166	DUI Reinstatement Act #863/93:	752.00	1,578.00	14,364.00	13,752.00
167	Weatherization Asst. Act. 121/03	.00	185,167.60	256.50	1,006,965.50
168	Waste Tire Fee PCE Act #1292/97:	33,319.45	32,291.61	351,985.22	354,747.80
169	Catfish Promo Board Act #790/99:	11,571.59	5,500.53	148,776.48	134,935.13
170	Game Protect Fund Act #1566/99:	46,177.50	43,875.00	496,402.50	482,800.00
171	Property Tax Relief Act #1492/99:	18,012,810.22	16,215,688.20	192,744,082.09	183,349,646.95
172	Special Plate Fee 93 Session:	98,973.00	85,090.00	1,068,714.25	1,000,714.00

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Special Revenues	May 2005	May 2004	11 Months 2005	11 Months 2004
173 Installment Fee Act #1262/95:	.00	.00	.00	.00
174 PUBLIC SCHOOL FACILITY 70/04	.00	.00	1,028,158.42	.00
175 Conservation Fund Act #156/97:	4,545,051.54	4,063,769.32	49,019,590.45	45,946,475.99
176 Avia Aeronautics Act #924/97:	3,070.61	121,971.22	1,640,280.05	1,166,574.42
177 Ar Corn/Sorghm Brd Act #271/97:	3,477.42	6,402.50	312,475.08	463,911.06
178 Administration Just Fund Act #788/97:	1,055,733.04	929,821.84	7,829,743.59	6,247,333.58
179 DIS Waste Tire Fee Act #1292/97:	51,015.00	55,694.70	610,059.60	526,271.57
180 Insurance Act #991/97:	.00	.00	.00	.00
181 Aging & Adult Svcs Act 1698/01	79,120.22	75,553.76	874,365.63	893,381.20
182 DHS Grant Fund Act 1698/01	79,120.22	75,553.76	874,365.63	893,381.20
183 Breast Cancer Research 1698/01	77,483.26	73,990.59	856,275.33	883,147.54
184 Breast Cancer Control 1698/01	309,933.02	295,962.32	3,425,101.28	3,499,589.55
185 General Improve Fund 1681/01	.00	.00	4,703,830.06	7,380,543.06
186 Driver Confirmation Act 1810/01	28.20	30.30	278.20	306.10
187 AR School For Deaf Act 1556/01	.00	.00	39.00	35.00
188 AR School for Blind Act 1556/01	.00	.00	39.00	35.00
189 Duplicate Drivers License	293,045.25	208,951.36	3,083,409.50	2,186,283.35
190 Educ/Adeq. 108/03	31,350,318.60	27,872,231.88	339,595,637.60	68,598,205.07
191 Firefighters Memorial Fund 28/05	11.00	.00	11.00	.00
192 In God We Trust Plate 727/05	.00	.00	.00	.00
Total Special Revenues	\$ 107,924,776.65	\$ 103,132,162.31	\$ 1,198,416,302.66	\$ 906,860,532.35

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General Revenues		May 2005	May 2004	11 Months 2005	11 Months 2004
201	Cigarette Tax:	11,141,218.82	9,432,099.27	110,137,973.00	108,701,706.11
202	Tobacco Permits Act 1337/97:	104,955.00	63,073.55	316,158.32	306,176.05
203	Cigar & Tobacco Tax:	1,483,431.68	1,685,020.82	17,494,839.18	17,852,930.78
204	Cigarette Paper Tax:	28,477.34	41,461.68	403,971.09	496,240.50
205	Beer Tax:	966,774.18	1,140,314.59	11,180,222.02	11,309,305.88
206	Beer Enforcement Act #271:	32,217.48	38,000.67	372,577.80	376,879.46
207	Liquor Tax:	554,023.56	518,302.92	6,343,843.56	6,065,342.09
208	Liquor Enforcement:	18,158.21	17,157.11	205,296.05	196,451.71
209	Wine Tax \$.70 Per Gallon:	14,097.54	12,940.57	152,542.96	157,109.10
210	Wine Enforcement:	3,286.38	4,111.65	36,934.34	36,523.53
211	Wine Enforcement Act #271:	361.02	369.53	4,527.43	4,507.50
212	Wine Enforcement Act #424:	69.25	142.40	957.33	1,253.43
213	Imported Wine Tax:	138,873.31	176,162.62	1,568,679.17	1,527,775.81
214	Imported Wine Tax Act #424:	770.62	1,677.48	11,145.06	14,750.06
215	Beer Permits:	235,380.00	331,300.00	364,290.00	475,690.00
216	Liquor Permits:	369,530.00	477,040.00	642,630.00	722,925.00
217	Wine Permits:	13,835.00	11,095.00	25,663.50	24,202.50
218	Severance Tax 3/4:	806,055.81	641,789.04	8,893,449.87	6,945,985.41
219	Amusement Machine Tax:	.00	.00	.00	.00
220		.00	.00	.00	.00
221		.00	.00	.00	.00
222	Real Estate Transfer Act #754:	.00	.00	2,607,788.32	2,607,788.32
223	Aviation Use Act #924/97:	.00	.00	.00	.00
224		.00	.00	.00	.00

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General Revenues		May 2005	May 2004	11 Months 2005	11 Months 2004
225	Gross Receipts:	166,160,577.05	149,174,719.54	1,793,997,251.35	1,675,177,689.34
226	Estate Tax:	277,907.89	1,778,913.61	8,897,633.26	6,955,031.68
227	Income-Individual:	17,255,079.78	8,223,092.11	211,501,050.32	182,522,935.79
228		.00	.00	.00	.00
229	WithHolding Monthly:	138,433,670.73	132,670,560.66	1,505,228,424.09	1,404,762,319.11
230	Individual Est. Inc.:	3,262,782.35	4,356,416.08	260,957,878.42	204,954,412.59
231	Corporation Income:	1,938,272.90	1,801,707.91	33,237,906.80	28,649,673.02
232	Corporation Est. Inc.:	15,849,752.21	19,899,089.76	234,219,654.70	182,677,626.96
233	Liquor Tax \$1.00/.50 Per Gallon:	31,379.10	28,117.06	263,949.07	301,560.52
234		.00	.00	.00	.00
235	Dog Racing:	149,595.71	138,822.56	1,481,449.35	1,792,161.88
236	Horse Racing:	176,154.15	136,213.33	2,632,311.16	1,968,444.80
237	ABC Fines:	26,650.00	51,400.00	287,650.00	230,050.00
238	ABC Transcripts:	175.60	185.60	1,150.00	2,977.30
239		.00	.00	.00	.00
240	Sunday Sales Permits:	12,385.00	31,120.00	27,235.00	44,975.00
241	DWI Reinstatement Act #802/95:	18,863.50	17,158.50	216,316.15	217,514.50
242		.00	.00	.00	.00
243		.00	.00	.00	.00
244		.00	.00	.00	.00
245		.00	.00	.00	.00
246		.00	.00	.00	.00
247	Vending Machine Act #928/1997:	.00	673.00	736,205.34	1,239,848.80
248		.00	.00	.00	.00

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General Revenues

	<u>May 2005</u>	<u>May 2004</u>	<u>11 Months 2005</u>	<u>11 Months 2004</u>
249 DUI Reinstatement Act #863/93:	1,128.00	2,367.00	21,546.00	20,628.00
Total General Revenues	\$ 359,505,889.17	\$ 332,902,615.62	\$ 4,214,471,100.01	\$ 3,849,341,392.53

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Trust Revenues	May 2005	May 2004	11 Months 2005	11 Months 2004
301	.00	.00	.00	.00
302 Ad Voloem Trust:	559,689.40	383,579.63	11,574,610.71	11,187,244.24
303 Local Sales/Use Trust:	67,885,462.76	62,265,471.71	740,311,974.75	680,819,623.40
304 Craft Train Trust Fund Act #474/99:	41,772.51	49,565.63	489,551.76	440,976.30
305 Organ Donor Plate	650.00	575.00	6,021.00	1,265.00
306 Baby Sharon Trust Act 279/03	.00	532.76	47.00	1,302.76
307 MILITARY FAMILY RELIEF TRUST 1028/05	.00	.00	.00	.00
308	.00	.00	.00	.00
309	.00	.00	.00	.00
310	.00	.00	.00	.00
311 Petro Environ Assurance Fee:	410,813.00	424,420.89	4,502,670.49	4,575,615.10
312	.00	.00	.00	.00
313 U.S. Olympic Comm. Act #471/93:	.00	.00	37.00	85.00
314 Soft Drink Tax Act #1073/93:	3,664,544.96	3,446,943.21	42,016,837.00	39,171,553.43
315 Disaster Relief Trust Act #1181/97:	.00	.00	249.00	160.00
316 ID Pen LC Sales/Use Act #928/97:	.00	168.25	184,051.32	309,962.20
Total Trust Revenues	\$ 72,562,932.63	\$ 66,571,257.08	\$ 799,086,050.03	\$ 736,507,787.43
Sum Total Of All Revenue	\$539,993,598.45	\$ 502,606,035.01	\$ 6,211,973,452.70	\$ 5,492,709,712.31

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<u>Pull Out Revenue</u>		<u>May 2005</u>	<u>May 2004</u>	<u>11 Months 2005</u>	<u>11 Months 2004</u>
401	Title	97,942.00	89,767.50	1,077,530.65	1,082,466.16
402	Lien:	31,881.50	28,313.00	371,158.00	361,260.78
403	Postal:	52,067.25	48,716.25	571,783.36	569,085.87
404	ADFA	309,327.00	288,972.00	3,367,680.00	3,324,528.00
405	Transfers:	1,289.00	1,016.00	14,972.00	12,857.00
406	Lost/:	5,461.00	5,501.00	69,390.00	62,552.00
407	Driver License:	458,946.94	427,483.38	5,523,398.47	5,560,859.98
408	Oil & :	11,696.82	14,015.69	145,962.65	169,399.94
409	CDL #241	53,588.49	43,823.90	578,250.13	624,238.45
410	Search:	1.25	37.50	171.25	184.75
411	Court Reinstatement < 4/02/03	70,916.25	65,556.25	804,506.25	901,488.40
412	IRP Ref:	.00	.00	2,979.00	13,615.89
413	Plate of U of A Act 999/01	9,025.00	6,900.00	115,000.00	99,425.00
414	Plate ASU Act 999/01	775.00	625.00	9,725.00	8,475.00
415	Plate UALR Act 999/01	150.00	100.00	2,025.00	1,775.00
416	Plate UCA Act 999/01	600.00	300.00	4,600.00	3,375.00
417	Committed to Education 529/01	6,025.00	5,275.00	83,100.00	74,075.00
418	SAU College	300.00	375.00	4,350.00	4,025.00
419	AR Ducks Unlimited	6,575.00	4,525.00	77,150.00	57,650.00
420	U of A AGRI Plate	550.00	375.00	4,600.00	2,600.00
421	AR Cattlemens Plate	475.00	525.00	5,575.00	3,225.00
422	Boy Scout Plate	500.00	500.00	3,775.00	2,525.00
423	Henderson State University	200.00	200.00	2,525.00	1,025.00
424	UAPB	3,275.00	1,125.00	38,500.00	1,125.00

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<u>Pull Out Revenue</u>	<u>May 2005</u>	<u>May 2004</u>	<u>11 Months 2005</u>	<u>11 Months 2004</u>
425 Miscellaneous Refund Correction	.00	.00	.00	.00
426 Ouachita Baptist University	475.00	.00	1,750.00	.00
427 Ar State Golf Assoc. 1574/05	.00	.00	.00	.00
428 Right to Life 2202/05	3,900.00	.00	3,900.00	.00
429 AR Realtors Plate	.00	.00	.00	.00
430 Ar Fallen Firefighters Memorial Board 1577/05	.00	.00	.00	.00
431 Emergency Medical Technician Plate	.00	.00	.00	.00
Total Pull Out	\$ 1,125,942.50	\$ 1,034,027.47	\$ 12,884,356.76	\$ 12,941,837.22

Mail Cost Center 383201

First Class

FROM: STATE OF ARKANSAS
Department of Finance & Administration
Office of the Director
Economic Analysis & Tax Research
P.O. Box 3278
Little Rock, AR 72203

TO: